

2012 Part D Standard Plan Cost-Sharing*

Part D Benefit Cost Periods	Costs and Who Pays	Beneficiary Pays (TrOOP)	Plan Pays	Total Amount Spent on Plan-Covered Drugs
Initial Deductible	Beneficiary pays 100% for covered drugs.	Up to \$320	\$0	\$320 (Amount spent on deductible before Initial Coverage Period begins)
Initial Coverage Period	Costs of covered drugs are shared: 25% by beneficiary, 75% by plan.	Up to \$652.50	\$1,957.50	\$2,610 (Amount spent during Initial Coverage Period before Coverage Gap begins)
Coverage Gap (“Donut Hole”)	<p>Discounts in 2012: Costs of plan-covered drugs are shared:</p> <p>Beneficiary pays 86% percent for plan-covered generic drugs, 50% for plan-covered brand name drugs (plus a nominal pharmacy dispensing fee).</p>	<p>Important Note about TrOOP: The total amount spent in the gap on plan-covered drug costs (up to \$3,727.50) includes:</p> <ul style="list-style-type: none"> the drug costs paid by the beneficiary (slightly more than \$1,863.75, depending on how many brand-name drugs they take and what the pharmacy’s dispensing fee is), and the 50% discount on brand name drugs paid by the drug manufacturer. (Plan pays nothing in the Coverage Gap.) <p>While there is a 14% discount on covered-generic drugs in the coverage gap, the discount amount does not count toward TrOOP.</p>		<p>Coverage Gap begins once reach the Initial Coverage Limit (\$2,930)</p> <p>\$3,727.50 (Total amount spent during the Coverage Gap before Catastrophic Benefit Period begins)</p> <p>\$6,657.50 (Total amount spent during Initial Coverage Period and Coverage Gap before Catastrophic Benefit Period begins)</p>
Catastrophic Benefit Period	<p>Costs of covered drugs are shared:</p> <p>Beneficiary pays reduced copay/coinsurance; plan pays the difference.</p>	<p>Greater of:</p> <p>5 percent coinsurance OR \$2.60 copay for generic, \$6.50 copay for brand or non-preferred</p>	Any remaining portion of the negotiated drug price.	<p>Beneficiary will remain in the Catastrophic Benefit Period through December 31, 2012.</p> <p>Part D benefit will reset on January 1, 2013, starting again with a deductible.</p>

*Most Part D plans are not standard plans. This means calculating TrOOP (True Out-of-Pocket) costs during the deductible and Initial Coverage Limit periods for beneficiaries varies by plan.